

116TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to enhance the Child and Dependent Care Tax Credit and make the credit fully refundable.

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IN THE SENATE OF THE UNITED STATES

Mr. CASEY introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to enhance the Child and Dependent Care Tax Credit and make the credit fully refundable.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Child and Dependent  
5 Care Tax Credit Enhancement Act of 2019”.

6 **SEC. 2. ENHANCEMENT OF CHILD AND DEPENDENT CARE**  
7 **TAX CREDIT.**

8 (a) IN GENERAL.—Paragraph (2) of section 21(a) of  
9 the Internal Revenue Code of 1986 is amended to read  
10 as follows:

1           “(2) APPLICABLE PERCENTAGE.—For purposes  
2 of paragraph (1), the term ‘applicable percentage’  
3 means 50 percent reduced (but not below 20 per-  
4 cent) by 1 percentage point for each \$2,000 (or frac-  
5 tion thereof) by which the taxpayer’s adjusted gross  
6 income for the taxable year exceeds \$120,000.”.

7           (b) INCREASE IN DOLLAR LIMIT ON AMOUNT CRED-  
8 ITABLE.—Subsection (c) of section 21 of the Internal Rev-  
9 enue Code of 1986 is amended—

10           (1) in paragraph (1), by striking “\$3,000” and  
11 inserting “\$6,000”, and

12           (2) in paragraph (2), by striking “\$6,000” and  
13 inserting “\$12,000”.

14           (c) SPECIAL RULE FOR MARRIED COUPLES FILING  
15 SEPARATE RETURNS.—Paragraph (2) of section 21(e) of  
16 the Internal Revenue Code of 1986 is amended to read  
17 as follows:

18           “(2) MARRIED COUPLES FILING SEPARATE RE-  
19 TURNS.—

20           “(A) IN GENERAL.—In the case of married  
21 individuals who do not file a joint return for the  
22 taxable year—

23           “(i) the applicable percentage under  
24 subsection (a)(2) and the number of quali-  
25 fying individuals and aggregate amount ex-

1 cludable under section 129 for purposes of  
2 subsection (c) shall be determined with re-  
3 spect to each such individual as if the indi-  
4 vidual had filed a joint return with the in-  
5 dividual's spouse, and

6 “(ii) the aggregate amount of the  
7 credits allowed under this section for such  
8 taxable year with respect to both spouses  
9 shall not exceed the amount which would  
10 have been allowed under this section if the  
11 individuals had filed a joint return.

12 “(B) REGULATIONS.—The Secretary shall  
13 prescribe such regulations or other guidance as  
14 is necessary to carry out the purposes of this  
15 subsection.”.

16 (d) ADJUSTMENT FOR INFLATION.—Section 21 of  
17 the Internal Revenue Code of 1986 is amended—

18 (1) by redesignating subsection (f) as sub-  
19 section (g), and

20 (2) by inserting after subsection (e) the fol-  
21 lowing new subsection:

22 “(f) INFLATION ADJUSTMENT.—

23 “(1) IN GENERAL.—In the case of a calendar  
24 year beginning after 2020, the \$120,000 amount in  
25 paragraph (2) of subsection (a) and the dollar

1 amounts in subsection (c) shall each be increased by  
2 an amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-  
5 mined under section 1(f)(3) for the calendar  
6 year in which the taxable year begins, deter-  
7 mined by substituting ‘calendar year 2019’ for  
8 ‘calendar year 2016’ in subparagraph (A)(ii)  
9 thereof.

10 “(2) ROUNDING.—If any dollar amount, after  
11 being increased under paragraph (1), is not a mul-  
12 tiple of \$100, such dollar amount shall be rounded  
13 to the next lowest multiple of \$100.”.

14 (e) CREDIT TO BE REFUNDABLE.—

15 (1) IN GENERAL.—The Internal Revenue Code  
16 of 1986 is amended—

17 (A) by redesignating section 21 as section  
18 36C, and

19 (B) by moving section 36C, as so redesi-  
20 gnated, from subpart A of part IV of subchapter  
21 A of chapter 1 to the location immediately be-  
22 fore section 37 in subpart C of part IV of sub-  
23 chapter A of chapter 1.

24 (2) TECHNICAL AMENDMENTS.—

1 (A) Paragraph (1) of section 23(f) of the  
2 Internal Revenue Code of 1986 is amended by  
3 striking “21(e)” and inserting “36C(e)”.

4 (B) Paragraph (6) of section 35(g) of such  
5 Code is amended by striking “21(e)” and in-  
6 serting “36C(e)”.

7 (C) Paragraph (1) of section 36C(a) of  
8 such Code (as redesignated by paragraph (1))  
9 is amended by striking “this chapter” and in-  
10 serting “this subtitle”.

11 (D) Subparagraph (C) of section 129(a)(2)  
12 of such Code is amended by striking “section  
13 21(e)” and inserting “section 36C(e)”.

14 (E) Paragraph (2) of section 129(b) of  
15 such Code is amended by striking “section  
16 21(d)(2)” and inserting “section 36C(d)(2)”.

17 (F) Paragraph (1) of section 129(e) of  
18 such Code is amended by striking “section  
19 21(b)(2)” and inserting “section 36C(b)(2)”.

20 (G) Subsection (e) of section 213 of such  
21 Code is amended by striking “section 21” and  
22 inserting “section 36C”.

23 (H) Subparagraph (H) of section  
24 6213(g)(2) of such Code is amended by striking  
25 “section 21” and inserting “section 36C”.

1           (I) Subparagraph (L) of section  
2           6213(g)(2) of such Code is amended by striking  
3           “section 21, 24, or 32,” and inserting “section  
4           24, 32, or 36C.”.

5           (J) Paragraph (2) of section 1324(b) of  
6           title 31, United States Code, is amended by in-  
7           serting “36C,” after “36B.”.

8           (K) The table of sections for subpart C of  
9           part IV of subchapter A of chapter 1 of the In-  
10          ternal Revenue Code of 1986 is amended by in-  
11          serting after the item relating to section 36B  
12          the following:

“Sec. 36C. Expenses for household and dependent care services necessary for  
gainful employment.”.

13          (L) The table of sections for subpart A of  
14          such part IV is amended by striking the item  
15          relating to section 21.

16          (f) EFFECTIVE DATE.—The amendments made by  
17          this section shall apply to taxable years beginning after  
18          December 31, 2019.